THE VICE-CHAIRMAN (SHRI JAGESH DESAI): Nothing will go on record. Yes, Shri Hari Singh.

अपनी बात चेयर मैन के सामने रखिये । अगर इजाजत देते हैं, तो बोलिये ।

श्री राम अवधेश सिंह : मैं अपकी रूलिंग के खिलाफ सदन का परित्याग कर रहा हूं । इसी लिये सोमवार को आपको पता लगेगा ...

(इस पर माननीय सदस्य सदन त्याग कर गये) ।

उपाभाइ क्ष (श्री जगेश देसाई) : श्री हरी सिंह जी, आप अपना स्पेशल मैंशन कीजिये ।

SHORTAGE OF TEXT BOOKS AND NOTE-BOOK IN SCHOOLS OF WTTAR PRADESH

श्री हरि सिंह (उत्तर प्रदेश) : श्रीमन्, स्कूलों में पढ़ाई इस महीने में शुरू हो गई है, लेकिन खेद का विषय है कि उत्तर प्रदेश में 6 से 12 कक्षा की पाठ्य-पुस्तक नहीं मिल पा रही हैं । इसलिये स्कूलों में पढ़ाई का जो मामला है वह ठप्प पड़ा हुआ है ।

श्रीमन्, पुस्तकें क्यों नहीं मिल पा रही हैं, इसके पीछे कारण यह है कि इसमें छापने वाले और प्रशासक मिले हुए हैं और भ्रष्टाचार से नाजायज रूपया कमाने में लग हुए हैं । साथ ही किताबों का तो अभाव है ही, कापियों का भी अभाव है । टेक्सट बुक्स नहीं मिल पा रही हैं, इसके साथ ही उत्तर प्रदेश की सरकार जो पाठ्य-पुस्तक छापती है उनकी छपाई इतनी खराब है कि उनको पढ़ना कठिन हो रहा है । एक दिन भी चल नहीं सकती । सस्ती कीमत के नाम पर इनको बेचा जाता है । इनका कागज जो अखबारी कागज है, नवभारत टाइम्स का, हिन्दुस्तान टाइम्स का या डेली पेपर जो हम पढ़ते हैं, इससे भी गया-गुजरा कागज इन किताबों में लगाया हुआ है । ये किताबें एक दिन में फट जाती हैं । सस्ती कीमत के नाम पर विद्यार्थियों को लूटा जा रहा है । गांव घर में बच्चों को दस-दस मील किताब परीक्षी पड़ती है । कागज इतना रद्दी है और प्रिन्ट इतना खराब है कि 'ईश्वर' लिखा हुआ है तो 'पोश्वर' पढ़ा जाता है, 'दिवस' लिखा हुआ है 'शिवस' पढ़ा जाता है । स्पेलिंग भी गलत होती हैं । इसमें पेज छूटे होते हैं, जिनका कोई तालमेल नहीं होता आंकड़े भी गलत होते हैं । छोटे-छोटे । को चश्मा लगा कर पढ़ना पड़ता है उत्तर प्रदेश के मुख्यमन्त्री कर्मठ हैं । सरकारी कर्मचारी हैं और कुशल आदमी है, वे पता नहीं किसे हुए हैं । ये प्रकाशक किताबों का ठेका लेकर इनको ब्लैक मार्केट में निकालते हैं और रूपया कमा रहे हैं । प्राइवेट रूप से किताबें छाप रहे हैं और रूपया हाथ पर बेच रहे हैं । यह दुर्भाग्य उत्तर प्रदेश का है । यह जो बात आपके सामने गम्भीर मामला उठाया है इसकी ओर सरकार ध्यान दें । धन्यवाद ।

SHORT DURATION DISCUSSION

Paragraphs 11 and 12 of the report of the Comptroller and Auditor General of India for the year ended the 31st March, 1988 (No. 2 of 1989)—Union Government—Defence Services (Army and Ordnance Factories)..(contd.)

SHRI MADAN BHATIA (Nominated): Mr. Vice-chairman Sir, I would seek one clarification. In the Revised List of Business it was mentioned that there would be a Short Duraion Discussion which was mentioned in the names of Mr. Atal Bihari Vajpayee, Mr. Advani and others. When the names of Mr. Vajpayee and Mr. Advani were called out, they did not participate and they refused to speak. I have come to know that they approahced the hon'ble Chairman in the morning and told him verbally that they are going to withdaw their names from this discussion. I want to know whether you, Sir, have got any

[Shri Madan Bhatia]

information as to the reasons why they withdrew their names and if this hon'ble Chair does not have the information, may I say that they have withdrawn from the discussion which was put in their names because this report has indicted the Negotiating Committee which was constituted in 1984 to carry on commercial negotiations for purchase of guns selected by the Army Headquarters? The indictment of the Negotiating Committees Report will involve total condemnation of the former Finance Minister, Mr. V.P. Singh, who totally and completely approved the recommendations of the Negotiating Committee. Are they going to dissociate themselves from this debate, are they avoiding this debate, are they trying to scuttle this debate in order to protect the skin of Mr. V.P. Singh, the former Finance Minister?

Secondly, so far as this report is concerned, while it has picked up the Negotiating Committee for indictment, it has completely blacked out not only the role and the name of Mr. V.P. Singh, the former Finance Minister, but the complete and total approval which he gave to the recommendations of the Negotiating Committee. I would like to know the reasons why his name was completely blacked out and why the approval which was accorded by him to the recommendations of the Negotiating Committee was completely blacked out by this Comptoller and Auditor General while writing this report.

The most disturbing fact is, when the Opposition boycotted the Joint Parliamentary Committee proceedings, this Comptroller and Auditor General also boycotted the proceedings of this Committee and refused to associate himself with its proceedings, despite the Resolution passed by the Parliament calling upon him to give all possible assistance to this particular Committee.

THE VICE-CHAIRMAN (SHRI JAGESH DESAI): No, no, please. You confine yourself to seeking clarification.

SHRI MADAN BHATIA : Sir, these factors are very important. Are these the factors on account of which they are wanting to avoid and scuttle this debate, because they are going to be highlighted during the course of this debate?

THE VICE-CHAIRMAN (SHRI JAGESH DESAI): I have no information about this . So I cannot give any clarifications about this.

SHRI N.K.P. SALVE (Maharashtra): Sir, it was unfortunate that the Opposition people did not agree to see reason.

SHRI SUBRAMANIAN SWAMY (Uttar Pradesh): Don't club all Opposition together.

THE VICE - CHAIRMAN (SHRI JAGESH DESAI): He is right.

SHRI N.K. P. SALVE: When I refer to Opposition, I am referring to all those who made so much noise and showed such disobedience to the Chair in utter violation of the norms of democracy, principles of democracy and in total violation of the rules of the House.

I fail to realize one thing. As I pointed out yesterday, there are Constitutional obligations of this House and the other House, and it is a mandate of the Constitution that this House, even if the majority wants, cannot pass a vote of no-confidence against the Prime Minister. We have our own authority in respect of various matters, as a senior House, as a House of Elders, we have to be a watchdog of what is happening in the other House. It is given to the other House to pass a vote of no-confidence against the Prime Minister and ask him to step down. It is open to the other House to indict him for his

lapses and failures if any and ask him to step down. But even if the majority of this House wants, even if it wants unanimously, for any lapses assuming without conceding that there are any assuming that there are any amount of lapses on the part of the Prime Minister, this House does not have the Constitutional authority to ask the Prime Minister to step down.

They accept that we have no Constitutional authority, then why is this extra-Constitutional method being adopted? They said they are on a question of propriety and I asked, "What is the question of propriety"? They said that the report of the Comptroller and Auditor General has indicted the Prime Minister. They were saying that the report has held that the Prime Minister is guilty of dishonesty, bribery, corruption, kickbacks, etc. To that we put it to them, "All right, if you think that there is some such thing in the report, why not we discuss the matter across in a very calm, cool and calculated manner by a process of reasoning and you let the nation know what is there in the report ? If there is anything in the report, Sir, I submit for your consideration--you happen to be a Chartered Accountant yourself-if there is even an iota of evidence in this report, if there is a comma or a full stop or a word which indicts the Prime Minister for corruption or for bribery or for dishonesty, I will be the first one to request the Prime Minister to step down. But when there is nothing of the sort, when the entirety of the report is one in which there is no warrant to draw this kind of an inference, this is hardly a democratic method.

Therefore, before I proceed further, at the very outset I must submit with utmost humility, that on making a most unbiased and objective evaluation of the Comptroller and Auditor General's report, as an expert having practised the profession of auditing for 40 years, even if every word written by the CAG in para 11 of chapter II of his report on Bofors was as true as the Gospel, the same does not--repeat not--in any manner whatsoever allege any *mala fides* not does it establish or even indicate that in the Bofors deal the Government is guilty of any fraud, corruption, dishonesty, bribery or kickbacks. At best, the objections raised by the Comptroller and Auditor General, singly and cumulatively refer to certain defects and drawbacks in the system of evaluation of Bofors' sale of military hardware involving heavy financial commitment plus certain alleged lapses of the Army Headquareters which are technical administrative and entirely of a nature which is the normal run of objections for different Ministeries. Apart from the fact that one each and every point the Army Headquarters and the Ministry have given very cogent reasoning--that is what I am going to deal with here--there are several other important statements. statement made by the Secretary of Expenditure, statement made by the Chief of Army Staff-which are very valid and cogent have not been fully considered by the Comptroller and Auditor General, which I am going to juxtapose with the report of the Comptroller and Auditor General and leave it for the nation to see whether, firstly, there is any indictment of the Prime Minister or whether even the supposed irregularities pointed out by the Comptroller and Auditor General are valid or not. I want to make it clear that there is not even remotely, an allegation of *mala fides* in the report against the Government or against any of the Ministries.

There are two Ministries involved—Ministry of Defence and Ministry of Finance. So far as the Ministry of Defence is concerned, it is clear from the report that the entire work of evaluation was done by the Army Headquarters by different processes. Technically it was evaluated over a long period. Then it came to the Ministry. At that time the Prime Minister was Raksha Mantri. The

[Shri N. K. P Salve]

recommendation came to him and he accepted the Report.

But so far as the financial implication is concerned, the Finance Ministry was directly involved. At that very time there happened to be a Finance Minister by name of Mr. V.P. Singh. That same Mr. V.P. Singh who today has become a paragon of virtue and a Messiah of probity in public life. If this report is a condemnation of the Government and if this implies allegation of a fraud and dishonesty, one person, who cannot be exculpated, is Mr. V.P. Singh. In fact, if they were honest and true to themselves, they should have got rid of Mr. V.P. Singh. But it was only a political gimmick; it was only a political gimmickery. It was only a cheap sort of drama and tamasha that they wanted to create an impression that this Report is one on basis of which Rajiv Gandhi has been found and his Government has been found to be guilty of fraud.

So much was made about the Report being discussed. Why are they scared? One reason was pointed out implicitly by my distinguished friend. Mr. Bhatia. He said if they have to condemn Mr. Rajiv Gandhi, ahead of Rajiv Gandhi you have to condemn Mr. V.P. Singh. He is guilty of a much bigger fraud. He was not only a privy, but he examined the whole thing.

Later, Sir, I will be reading out what the Expenditure Secretary had to say on oath. He was expressly asked; "Did the Finance Minister go into the whole thing? Did he have reservations?" His replies are very revealing. Not a word has been mentioned about what the Expenditure Secretary had to say. So far as these objections on financial implications are concerned' by the Comptroller and Audit or General, not a word has been mentioned on the statement made by the Chief of the Army Staff as to why after 1985, when they had first evaluated the French gun as number one, they kept it as number one and kept the Swedish gun at number two. Earlier they had not rejectted it. So, what was the change in logistics? The plus factors may have been there even earlier, but he mentions so clearly the changed perceptions of warfare and changed logistics under which the Army Chief thought this gun was far more useful.

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Yesterday when we were discussing the authority and power of the Comptroller and Auditor General, so much advantage was taken by the concerned Opposition Members of the ignorance about the position of the Comptroller and Auditor General. The Comptroller and Auditor General is not like the Supreme Court. The authority and powers of the Supreme Court and its jurisdiction are determined in the Constitution itself from Article 131 to 141. The Authority and power of the Comptroller and Auditor General, I want to submit, is not determined in the Constitution. What Constitution says is this and it is very important. Article 149—Duties and Powers of the Comptroller and Auditor General. Now this is in the Constitution that parliament shall determine the powers and duties of C.A.G. Assuming such duties were mentioned in the Constitution there is no bar to this report being dismissed in Parliament. Yesterday the Deputy Chairman said that a judgement is not laid on the Table of the House and therefore it cannot be discussed. Respectfully I disagree with that view. If a judgment is such that it has an impact and ramification on any aspect of the national matter, it can be discussed. We have discussed judgments times out of number. Golaknath's case was discussed and so many other cases were discussed. We don't impute motive to the institution, but we are certainly entitled to express our views, while discussing

*Expunged as ordered by the Chair.

a judgement are not re-writing the laws. We are not sitting in judgment over the Supreme Court., but certainly we are entitled to express our views. Here also the Comptroller and Auditor General has written the report. *But certainly as to what he has written, and to what extent what he has written is fair, just and proper? On that we can express our views. And certainly when the Opposition are demanding the resignation of the Prime Minister on the basis of the Report of the Comptroller and Auditor General, are you not willing to sit and listen to reason whether there is any inference of corruption; whether it is possible at all for you to say that this report ought to be the basis of resignation of the Prime Minister of India?

Sir, India is not a banana republic that a bunch of people will demand and the Prime Minister must go out. Did they want to stage some sort of a coup or what? Therefore I impute very serious motives to their unwillingness to discuss the report.

[**The Deputy Chairman** in the Chair]

Madam I was submitting that I impute very serious motives to their not wanting to join the discussions. Firstly, they had no answer to what they would have to say about V.P. Singh. Secondly, once you go through the entire gamut of my speech, it will be clear that in the report whatever else you may find, there is no indictment of the Prime Minister and his Government any objection on which an inference of corruption, or an inference of dishonesty or fraud could be drawn. But before that I was submitting, Madam, to make the record absolutely straight, there is no impropriety being committed in this House by discussing the report of the Comptroller and Auditor General. We are not attacking the Comptroller and Auditor General. We have nothing against him individually but something which he has written, which has been made the basis for the Opposition to demand the resignation of the Government certainly entitles us to a fair and Impartial evaluation.

THE MINISTER OF HOME AFFAIRS (SHRI BUTA SINGH): They had asked for a discussion.

SHRI N.K.P. SALVE: I was coming to it. Who asked for a discussion ? My name appears to be the 6th in the list of short duration discussion notice. They are all above me. The BJP party, as it is, has no friend here, otherwise they have only one friend, Shiv Sena in Maharashtra. They are isolated here. They are the ones who had asked for a discussion. The moment other peopie pulled their ears, "Why have you done things like that ?" they ran away. They ran away so fast that no human being has ever run faster. They give you notice for short duration discussion and when it comes to saving their skins, they run away. There is a question of propriety involved once you give a notice. You be serious after giving a notice. Please do tell them that hereafter kindly think before you give a notice and after having given a notice for the short duration discussion and after it has been accepted by the Chairman they must not run away like this.

Madam, I was referring to the powers of the Comptroller and Auditor General. Article 149 says:

> "Duties and powers of the Comptroller and Auditor General: The Comptroller and Auditor General shall perform such

*Expunged as ordered by the Chair.

[Shri N.K.P. Salve]

duties and exercise such powers in relation to the accounts of the Union and of the States and of any other authority or body as may be prescribed by or under any law made by Parliament.."

Madam, the duties and powers are to be regulated by the law made by the Parliament. In the Companies Act also the duties and powers of the Auditors are regulated by the law made by the Parliament. There is an Act which we have made under article 149. The Parliament has made the Comptroller and Auditor General (Duties, Powers and Conditions of Service) Act, 1971. Section 11 deals with the accounts. Section 13 deal with the provisions of the duties, powers and conditions of Service. It is not the Constitution which has laid down, as it has in the case of the Supreme Court, their authority and jurisdiction. Are we not entitled to consider whether while reporting the Parliament he has discharged his duties and powers fairly or not which we have given him ? Section 13 says :

"It shall be the duty of the Comptroller and Auditor General to audit all expenditures from the Consolidated Fund of each State and each Union Territory having Legislative Assembly and to ascertain whether the moneys shown in the accounts as having been disbursed were legally available for and applicable to the services for purposes to which they have been applied or charged and whether the expenditure conforms to the authority which governs it. To audit all transactions of the Union and all the States relating to Contingency Fund and the public accounts. To audit all trading, manufacturing, profit and loss accounts, balance-sheets and other subsidiary accounts kept in any department of the Union or the State and in each case to report on the expenditure transactin accounts to be audited by him."

Madam, I cannot do better than to refer to "The Constitutional Law" which is edited by Hidayatullah in which the authors have, in a very brief manner, determined the authority and the duties *of the Comptroller and Auditor* General of India. I am referring to this book on the Constitutional Law of India, Volume-I, Editor-in-Chief, M. Hidayatullah. There are very many distinguished authors including Justice Deshpande, Mr. Soli Sorabjee, Mr. Venkataraman Parmeshwaran, Justice Pathak etc. Now, what they have said delineating the authority, powers and the duties of the Comptroller and Auditor General. I am reading from page 994.

"The report on accounts is primarily known as Audit Report—that is what we are to consider—in which the Comptroller and Auditor General summarises the result of his audit, highlighting important irregularities, waste, extravagance, losses of revenue and deviations from the law or prescribed procedures."

This report is thus the basis on which the Parliament gets to know the functioning of the executive department. Therefore, Madam, it is of the highest importance that in this audit, he is not to undertake investigation and find out the dishonesty and fraud. He cannot detect fraud etc. because for purposes of detection of fraud, he does not have the necessary wherewithal. He will have to take the help

*Expunged as ordered by the Chair.

of some agencies like the CBI or other agencies. If he does find something serious, it is not for an auditor. There is also another auditor sitting here. An auditor, in the course of his duties, as an auditor, can pinpoint what according to him... *(Interruptions)*

THE DEPUTY CHAIRMAN: An auditor is sitting and an auditor is speaking.

SHRI N. K. P. SALVE : Yes, Madam. That is the difficulty. When there was so much expertise on audit available to the opposition they should have at least listened to us point by point and let us argue it point by point and then if you are able to convince yourself and the nation that, yes, in this case, if there is something much more than that meets the eye, one could have understood all the "Tamasha" they have created. But they did not want that kind of a debate, they did not want the entire matter to be processed by a process of reasoning, by arguments and by counter arguments. Madam, all that I want to submit is that pointing out irregularities, waste, extravagance, losses, deviations from law or prescribed procedure, is the total authority which the Comptroller and Auditor General has. In fact, Madam, the Comptroller and Auditor General himself, in his own report, admits that whatever he is doing, is confined to what his powers are under the Constitution and under this enactment. This is what the report itself says. I want to draw your very kind attention and through you, Madam, the attention of the House, to what the Comptroller and Auditor General himself has to say. One distinguished Member was saying—he is a great constitutional authority—that we are ruining and demolishing a constitutional institution. What nonsense? You are subverting the entire Constitution shamelessly, with unabashed disobedience of the Chair. All that must pass off as very higly democratic, as very highly decorous and if this Parliament wants to discuss in a cool, calm and patient way the report which according to them is so important the it deserves condemnation of the Government for fraud, then you are not willing to do. Now, this is what the Comptroller and Auditor General himself says in this very report. I wish they have read the report itself. I am quoting page 8 from this very para.

> "This review has been conducted in discharge of the obligations under provisions of the Constitution as envisaged under article 148 and 151 and in terms of the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act 1971."

An enactment made by Parliament lays down the duty. According to that duty, they carry on the audit. They report to the parliament and he becomes such a constitutional authority that we cannot even discuss his report and find whether he has discharged his duties properly or not in accordance with the provisions of the law.

Therefore, Madam, if this was the scope, if this was the total authority of the Comptroller and Auditor General, there is one thing I want to submit. Whatever else an Auditor General may be, he is not an arbitrator. The Auditor General is neither an appellate authority on decisions and policies of the Government, nor is he a reviewing authority of views and judgements of experts on military matters, nor is he entitled to substitute judgment of Government experts from hindsight nor is he entitled to prescribe procedures for evaluation of military hardware. Whatever are the procedures prescribed, whether they have been adhered to or not is the total scope and authority of the Comptroller and Auditor General and that is the manner in which one has to proceed. His scope, in a way, is very limited, confined to auditing the accounts of the Government of India and the States. Madam,

[Shri N.K.P. Salve]

I am not going to comment on the Auditor General as such so far as his work is concerned. I am only going to submit to you what, according to me, are his lapses while making certain observations. But there is one thing which he has written, which grieves me very much as an auditor. An auditor should never do this kind of a thing. I must record my very serious protest against this sort of an attitude of the Comptroller and Auditor General. What does he say ? Madam, in para 11.206, he laments that while the Swedish Government entrusted the Swedish National Audit Board with the enquiry into the Bofors Indian contract that is the transactions ofnon-government company inS weden, the reasons for not asking for a full audit by the Comptroller and Auditor General in India, as suggested by the Indian Mission in Sweden, for a contract involving an outgo from the public exchequer of over Rs. 2000 crores were not clear. Under what authority is he writing this? * So that he should be asked to audit the accounts of Bofors.* What would have been the dignity left of this Comptroller and Auditor General, a great Constitutional authority? Madam, one requirement that we teach our articled clerks, when they come into our office on the first day, is that what an auditor has to show is fromeudous restraint, tremendous maturity and above everything, a sense of self-respect. It is a very delicate task that you are called upon to perform. You have to take a very balanced view of things. You cannot allow yourself to be overwhelmed by your emotions, by your own predilections, by you own likes and dislikes. You have to go on facts. You have to go on figures and report it honestly and objectively without there being any lure, without there being any greed in your mind, of any nature.* Does he start by expressing regret that he has not been given authority to go and audit the accounts of Bofors? Under which law could he have gone? Under which law the President could have given him that authority? Under which law Rajiv Gandhi could have given this authority? Under which law Sardar Buta Singh could have allowed him to go and audit the accounts of Bofors? And he says the does not know the reasons why he was not entrusted Bofors audit for Indian contract. It is totally unwarranted that there should be this kind of audit objection. And does it indicate that he has not been out to go and audit Bofors accounts? Does it indicate that any fraud has been established? Does it indicate, in any manner whatsoever, that somekic kbacks and bribery are involved? And this is part of the audit report, Madam* We never asked for this kind of a thing, "Please send us somewhere". Madam, I am the Chairman of a Finance Commission which is also a Constitutional authority. The entire revenue account of the Government of India is before me for my scrutiny. I might as well ask the Prime Minister, please let me visit other countries and other embassies to see what is happening. Would it be up to my dignity to ask for this kind of a thing merely because I want to go and visit a few foreign countries? I submit that is the only point on which I am extremely distressed.* Now the totality of the approach, I am going to read objection after objection and deal with them as an expert to expert, and not only demolish the theory, assuming that the objections are correct. First to what extent they are valid, that will have to be decided by this House, by the nation. And secondly, to what extent, even if they were valid, it is justified for the Opposition to

*Expunged as ordered by the Chair.

demand the resignation of the Government on that basis. In fact, the totality of the approach of the Comptroller and Auditor General— I have read, reread and reread the entire report—

[The Vice-Chairman Shri Jagesh Desai in the Chair]

I submit, Sir, categorically, is extremely casual, is lackadaisical and rather perfunctory because he has not considered certain important relevant materials. He might, after consideration of those important materials, disagree with them. But he must take them into consideration. It is just like arguing a case before a court. You are conversant with that, Sir. You may reject a materital but you must consider and deal with whatever I am going to say. There is a very important aspect of the matter, as to why after '85 until which time the French gun was considered No. 1, the Bofors' gun came as No. 1, the Swedish gun. There are two valid cogent, reasons given by the Cheif of Army Staff on oath. The statement is here in the report of the JPC which I was told was pointed out to the Comptroller and Auditor General. While rejecting, while casting a doubt as to why suddenly Bofors was chosen, he has not even considered chief's statement. He fails. One can understand an auditor oi his variety alone wanting to sit in judgement on the purchase of military hardware, sophisticated military hardware, against the judgment of the Army Chief. Tomorow in case of need on the battlefield is it the Comptroller and Auditor General who is going to decide things nnd fight or is it the Army Chief who is going to save the lives of his jawans? Who should make the evaluation? The Auditor shoid attach importance to this aspect and at least make a mention of that kind in the report. I wish to point out how that aspect has not been properly brought out or considered or, it it has been considered at the back of his mind, the Auditor has not given reasons why he is sticking on to certain views which he has expressed. Therefore, I submit that the report lacks depth and restraint and maturity, And very substantially on policy and jurisdiction on money matters. You are prescribing procedures here, as I have just now read out. Is it open to an auditor under the powers which we have given him? It is a very erucial question I am rais'ng. Under the and Auditor Comptroller General's Duties, powers and Service, Act. 1971, he has to abide by the procedures prescribed, he has to abide by the law prescribed. he has to abide by the policies of the Government. Is he entitled to sit in judgement over the very policy of the Government itself? Is he entitled to sit in judgment over a very important, on a very highly technical matter of the Army? Is he entitled to sit in judgment over the procedure? One could informally discuss and tell them well. I think you need to improve your procedures. When we go for audit can we say your procedures are incorrect when you have certain laid down procedures? However incorrect they may be, when there are laid down procedures, it is his duty to confine himself to that, to see whether the prescribed procedure has been followed or not. It is not his case that the procedure has not been followed. Let them show a single item or instance where the laid down procedure or the prescribed procedure has not been followed, that it is not adequate, that there are deficiencies in it. As on auditor perhaps I might agree with him. But I cannot understand going into the military evaluation processes. May be, there are deficiencies. But if some other auditor comes, he will say, take out this add that there are some deficiencies. There may be certain other deficiencies found when some other Comptroller and Auditor General comes. But he has not pointed out a single case where there has been a d viation whatsoever from prescribed procedur e

[Shri N.K.P. Salve]

There are procedures prescribed as I shall be pointing out to you just now. But the very crucial thing which is very important, is that all the objections have been summarised in the highlight which has been given in the Report and as many as 15 points have been made in the highlight and, in the totality of the objections, I want to submit to you and reiterate to you, Sir, that not one of them attributes *mala fides* not one of them has the ingredients of *mala fides*, except one objection and that objection is that until 1985, the French gun Sofma was No. 1 and now became No. 2 suddenly in early 1986. also, throughout the Report, in fairness, the lapses or deficiencies, if any, have been found to be those of either the Finance Ministry or of the Army Headquarters. The first question that I would like to put to the CAG, in the totality of the matter which he should have looked into a little more dispassionately, a little more fairly and a little more objectively, is that the Army Headquarters without any interference, without any intervention of anybody, makes a certain recommendation. First, they made the recommendation for the French guns. Finally, they made the recommendation for the Swedish guns. Are the opposition willing to guarantee that if the Defence Ministry and the Finance Ministry had rejected the final recommendation and said, "No, no. We do not want the Bofors gun, we want only the French gun whatever Army H.Q. may say. Would it have been acceptable? You are rejecting the recommendation of the Army Chief. Are you going to substitute your judgement then Mt had been considered properly ? My respectful submission, therefore, is that the whole procedure followed in the placing of the order on Bofors, I maintain, has been in order and it is in accordance with the established procedure and that with all the lapses and deficiencies, assuming they are there—deficiencies are there and the deficiencies are bound to exist so long as human beings are going to work—there has not been a single deviation from the procedure. There is the report of the Chief of the Army Staff on oath. On being asked, "Was there any tinkering, was there any interference?", he said, "At no stage was *there any interference of any* nature by anyone.". Was this considered before trying to create a situation where somesort of a doubt is created ?

Sir, I want to refer to a very important statement made by the Chief of the Army Staff before the JPC on oath. On being asked *whether weightage was bought* to be changed and given because of any tinkering, he said—this is the statement of the Chief of the Army Staff—and I would like to quote it here:

> "At no stage of this assessment of mine for the final shortlisting and indicating of the Army's *inter se* preference between the Bofors gun and the French gun, in no way was any suggestion or influence applied on me or any of my staff from the Ministry of Defence or the Minister of Defence or anybody in any position of authority. It was our own free exercise of judgement that we changed the *inter se* placement because of an objective analysis..."

I will come a little later to what that objective analysis was—

> "...of what we thought was a very exceedingly vital factor which has undergone changes between 1982 and 1986."

Sir, I would like to refer to the reasons he has given. Those factors did exist at the beginning itself. But the logistics had changed completely and, therefore, the Chief of the Army Staff thought, under the changed logistics, that it was the Swedish guns which were far more preferable, and more about it a little later.

Now, 15 objections have been highlighted. Sir, I want to submit that I shall take up these objections one by one. Let the record be clear, let the nation know, what the objections are and whether the worth of these objections is such as to warrant such a demand by them for such a drastic step as the resignation of the Prime Minister. I am sure none of them has read the Report and if they have read the Report, they will apply themselves objectively. It was only a political mileage perhaps they were wanting. Having gone totally bankrupt so far as ideas are concerned and having gone totally bankrupt so far as issues are concerned, perhaps they thought that this was the best way to whip a dead horse. Is it a joke what they are playing on us ? We have a majority of 416 people solidly behind the Prime Minister in Lok Sabha. And they think it is their authority in this Rajya Sabha to come and indulge in all sorts of lawlessness! I was distressed when someone came here in a very menacious manner, when I was speaking; I had to take refuge of decency and seek the permission of the Chair to speak from that end. What have we come to ? Is it parliamentary democracy? And all this is being asked in the name of propriety. Nothing has been so shameful in my experience of 22 years in Parliament. For two and a half days the shame that has been inflicted in this House shall go down as something which is the most despicable event ever happening in Parliament—not only in Indian Parliament but in any Parliaments. Why do you Shut debate? Parliaments are meant for debate. The Opposition is meant to be the watchdog on the performance of the Government. Most certainly. But when you are going to act as a watchdog, don't act like a blood-hound, without reason, indulging in every type of disobedience.

Sir, there are fifteen objections. One by one I would like to deal with them and demolish them totally.

I am reading from page 23 of the Report. This is the gist of the totality of objections which the Auditor-General had mentioned in his Report. I would like to throw it on their face and ask as to out of which of these objections they draw their inference, either of violation of the norms or of bribery and corruption.

Now, the first objection—this is 11.9—is that the technical evaluations of the gun system and ammunition suffered from deficiencies.

Sir, the procedure is not violated. What are they ? They have enumerated six deficiencies:

> "No General Staff Qualitative Requirement was prepared."

Now, it is said that in their terms for the purposes of imported guns you do not have any General Staff Qualitative Requirement Then:

> "Also, no matrix was prepared in the absence of which it was difficult to assess the *inter se* importance of the various characteristics of the gun systems expressed as mininum acceptable parameters."

In the Report itself he is saying that an explanation has been given that it was not warranted where the guns were imported from outside. I shal be referring to that a little water.

[Shri N.K.P. Salve]

I am referring to para 11.3.04, page 9:

> "The Ministry still maintained in February 1989 that no GSQR was prepared in this case...."
> ...for equipment of foreign manufacture. Hence no GSQR was prepared in this case. Then, I quote again:
>
> "The Ministry added in April 1989 that 'it was true that, based on a misconception, the question of GSQR was raised in the initial meetings of the Negotiating Committee (NC) but, subsequently the NC decided to view the evaluation with reference to the Minimum Acceptable Parameters furnished by the Army Hqrs."

Now, Sir, right up to 1989, rightly or wrongly, any evaluation of GSQR is not prescribed for imported military hardware. That might be a very serious lapse or that may not be a lapse at all. But there is no violation of the prescribed procedure. When the audit was conducted, the prescribed procedure did not require GSQR so far as the imported equipment was concerned. Therefore, there is no such violation. But what is more important is that you are referring to all these six objections as technical evaluation system being deficient. If the system is deficient, it is deficient. Are you sitting in judgement over the system? Have they gone according to whatever is prescribed or not? At least a word should have been written that all right, though the system has been followed, according to us the system is not correct and try to be wise from the hind sight. But that is not what is being done. It is sought to be presented in a manner as though some secrilege has been committed by the Army Headquarters, as though by abiding by a prescribed procedure, they have committed a sacrilege. The first objection is that no General Staff Qualitative Requirement was prepared. No matrix was prepared. That is also explained that G.S.Q.R. was not prepared and therefore, matrix was not required. No. 3 is that it was felt in August 1984 that in the absence of these two, it would be very difficult for the Negotiating Committee... That has been dealt with, that initially the Negotiating Committee did raise that point, but after this was pointed out to them, they said it was an error and they did not insist on that. The claims made by the manufacturers from time to time were not fully verified by trials. How many trials should be conducted? Is it for the Comptroller and Auditor General to decide? Is he going to determine the technical fitness of a gun.* If you think more trials are needed, then you need to have some knowledge of the warfare. You need to have some knowledge of the geopolitics entirely outside your knowledge as an Auditor. Then he says, "Further Army Headquarters had reservations since data could be manipulated during controlled demonstrations organised by manufacturers in their own countries." Six. The Defence Research and Development Organisation opined that evaluation trails have failed to provide conclusive data to decide on the suitability of a particular weapon system, although it had recommended the conduct of fresh trials under "worst service conditions".

Firstly, I want to submit that these objections do not apply to Bofors. They aply to the entire evaluation process in terms of which 8 guns were shortlisted. So the procedure followed was the same for the 8 guns. This procedure was not followed to help Bofors in any manner whatsoever. How are you drawing an adverse inference of corruption?

*Expunged as ordered by the Chair.

In para 11.3 on Technical Evaluation, this is what the Auditor says:

> "11.3.01 Army HQ had been exploring the possible sources of supply of 155 mm guns from September 1980, and carried out an initial paper evaluation followed by actual trial evaluation in India. Out of the 11 gun systems initially identified by Army HQ, only eight gun systems were selected for trial evaluation."

> "The gun system had been found suitable without either a General Staff Qualitative Requirement or minimum performance parameters before the trial evaluations."

Now, this was not something which was to favour Bofors alone. This was a system on which the entire Army Headquarters evaluation methods, their norms, their systems had been determined and they worked accordingly whatever may be the deficiencies. If you are going to make the Army people wise, sit with them and tell them what needs to be done. One could have understood it for future. A sentence should have been written like this: "We are mentioning this." —however, as an Auditor I would have written "We are referring to this matter to ensure that in future these deficiencies in the system are removed." That would have been fair enough if I put it in this manner. Do you want to think that deliberately a faulty system was followed right from 1980 and all the 8 guns were evaluated. If this be so, why don't they go further and say that all these 8 guns should have been rejected and some other gun should have been purchased at the recommendation of the Comptroller and Auditor General? What do we do? The Government of India depends on experts. Those experts may have their own limitation. But you are sitting in judgement over the systems determined by the experts. Firstly, do you have the expertise to come to this conclusion? Secondly, what is the inference to be drawn? You followed a defective system for all the 8 guns equally. How does the question of corruption come into this kind of a thing? How does the question of bribery come into this kind of a thing? How does the question of fraud come in? How does the question of resignation come? I am mentioning this specially because I will go point by point. I will demolish each of the objections and blow them to semi-thereens. Sir, I am mentioning this specifically because I will go point by point and I will demolish these objections and blow them to semi-thereens. And I will ask you, Sir, zero multiplied by zero, zero plus zero..

6.00 P.M.

THE VICE-CHAIRMAN (SHRI JAGESH DESAI): You can do it on Monday.

THE MINISTER OF STATE OF THE MINISTRY OF WATER RESOURCES AND THE MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS (SHRI M.M. JACOB): Mr. Vice-Chairman, Sir, since it is a very important thing, I request that...

SHRI N.K.P. SALVE: Sir, I will not be able to complete today.

THE VICE-CHAIRMAN (SHRI JAGESH DESAI) : You can continue on Monday.

SHRI N.K.P. SALVE: Thank you, Sir.

THE VICE-CHAIRMAN (SHRI JAGESH DESAI) : The discussion will continue on Monday. Now the House stands adjourned and will meet again at 11 A.M. on Monday the 24th July, 1989.

The House then adjourned at one minute past six of the clock till eleven of the clock on Monday, the 24th July, 1989.